

Public Law 768

CHAPTER 1213

September 1, 1954
[H. R. 10009]

AN ACT

To provide for the review of customs tariff schedules, to improve procedures for the tariff classification of unenumerated articles, and for other purposes.

Customs Simpli-
fication Act of
1954.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Customs Simplification Act of 1954".

TITLE I—REVIEW OF CUSTOMS TARIFF SCHEDULES

SEC. 101. (a) The United States Tariff Commission shall proceed promptly to make a complete study of all provisions of the customs laws of the United States under which imported articles may be classified for tariff purposes, including the dutiable and free lists and related special provisions of the Tariff Act of 1930, as amended and as modified, the provisions of the Internal Revenue Code relating to the duties designated as import taxes, as amended and as modified, and other laws. The Commission shall compile a revision and consolidation of such provisions of the customs laws which, in the judgment of the Commission, will accomplish to the extent practicable the following purposes:

(1) Establish schedules of tariff classifications which will be logical in arrangement and terminology and adapted to the changes which have occurred since 1930 in the character and importance of articles produced in and imported into the United States and in the markets in which they are sold.

(2) Eliminate anomalies and illogical results in the classification of articles.

(3) Simplify the determination and application of tariff classifications.

(b) The Commission shall seek to accomplish the purposes of subsection (a) without suggesting changes in any rate or rates of duty on individual products, whether those rates are applied by statute or by Presidential proclamation. Where, however, in the judgment of the Commission, the purposes of subsection (a) cannot be accomplished without such changes, the Commission shall specify each incidental change in rates which in its judgment would accomplish such purposes, and shall accompany it with a summary of all the data on which such suggested change was based, together with a statement of the probable effect of such suggested change on any industry in the United States. Before suggesting any changes in rates of duty, the Commission shall give public notice of its intention to do so and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at public hearings with respect to the probable effect of such suggested changes on any industry in the United States.

(c) Not later than two years after the enactment of this Act the Commission shall transmit copies of the schedules and accompanying data and statements to the President and to the chairmen of the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(d) On or before March 15, 1955, the Commission shall report to the President and to the chairmen of the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate (1) the progress that has been made in carrying out the provisions of this section, (2) the significant complexities of tariff classification that have been developed as existing in the present law, and (3) suggestions as to standards and methods which might be

Transmission of
data, etc., to Pres-
ident and Con-
gress.

Report.

46 Stat. 590.
19 USC 1654.

adopted for a simplification of existing tariff schedules without significant changes in tariff levels.

(e) The Commission may invoke all the powers granted to it under part II, title III, of the Tariff Act of 1930, as amended, and is authorized to make reasonable rules and regulations, for the purpose of carrying out its functions under this title.

46 Stat. 672, 685.
19 USC 1201,
1303-1351.

(f) The Commission may procure temporary and intermittent services in accordance with section 15 of the Act of August 2, 1946 (5 U. S. C., sec. 55a), but at rates not to exceed \$75 per diem for individuals. The Commission may reimburse employees, experts, and consultants for travel, subsistence, and other necessary expenses incurred by them in the performance of their official duties, and make reasonable advances to such persons for such purposes. Service by a person pursuant to the first sentence of this subsection shall not be considered as service or employment bringing such person within the provisions of section 281, 283, 284, or 1914 of title 18 of the United States Code, or section 512 of the Mutual Security Act of 1954, or section 190 of the Revised Statutes (5 U. S. C., sec. 99).

60 Stat. 810.

62 Stat. 697, 793.

(g) There are hereby authorized to be appropriated such sums as may be required to enable the United States Tariff Commission to carry out the functions assigned to it by this section.

Appropriation.

TITLE II—UNENUMERATED ARTICLES—AMERICAN GOODS RETURNED

SEC. 201. Paragraph 1559 of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, sec. 1001, par. 1559), is amended to read as follows:

46 Stat. 672.

"PAR. 1559. (a) Each and every imported article, not enumerated in this Act, which is similar in the use to which it may be applied to any article enumerated in this Act as chargeable with duty, shall be subject to the same rate of duty as the enumerated article which it most resembles in the particular before mentioned; and if any non-enumerated article equally resembles in that particular two or more enumerated articles on which different rates of duty are chargeable, it shall be subject to the rate of duty applicable to that one of such two or more articles which it most resembles in respect of the materials of which it is composed.

"(b) The words 'component of chief value', wherever used in this Act, shall be held to mean that component material which shall exceed in value any other single component material of the article involved; and the value of each component material shall be determined by the ascertained value of such material in its condition as found in the article.

Definition.

"(c) If two or more enumerations shall be equally applicable to any article, it shall be subject to duty at the highest rate prescribed for any such enumeration."

CERTAIN METAL ARTICLES RETURNED TO UNITED STATES

SEC. 202. Paragraph 1615 (g) of the Tariff Act of 1930, as amended (U. S. C., 1952 edition, title 19, sec. 1201, par. 1615 (g)), is further amended to read as follows:

52 Stat. 1093.

"(g) (1) Any article exported from the United States for repairs or alterations may be returned upon the payment of a duty upon the value of the repairs or alterations at the rate or rates which would apply to the article itself in its repaired or altered condition if not within the purview of this subparagraph (g).

“(2) If—

“(A) any article of metal (except precious metal) manufactured in the United States or subjected to a process of manufacture in the United States is exported for further processing; and

“(B) the exported article as processed outside the United States, or the article which results from the processing outside the United States, as the case may be, is returned to the United States for further processing,

then such article may be returned upon the payment of a duty upon the value of such processing outside the United States at the rate or rates which would apply to such article itself if it were not within the purview of this subparagraph (g).

“(3) This subparagraph (g) shall not apply to any article exported—

“(A) from bonded warehouse or from continuous customs custody elsewhere than bonded warehouse with remission, abatement, or refund of duty;

“(B) with benefit of drawback through substitution or otherwise; or

“(C) for the purpose of complying with any law of the United States or regulation of any Federal agency requiring exportation.

“(4) For the purposes of this subparagraph (g), the value of repairs, alterations, or processing outside the United States shall be considered to be—

“(A) the cost to the importer of such repairs, alterations, or processing; or

“(B) if no charge is made, the value of such repairs, alterations, or processing,

as set out in the invoice and entry papers; except that, if the Secretary of the Treasury concludes that the amount so set out does not represent a reasonable cost or fair value, as the case may be, then the value of the repairs, alterations, or processing shall be determined in accordance with section 402 of this Act. No appraisal of the imported article in its repaired, altered, or processed condition shall be required unless necessary to a determination of the rate or rates of duty applicable to such article.”

TITLE III—AMENDMENTS TO THE ANTIDUMPING ACT, 1921

42 Stat. 11.

Dumping investigation.

SEC. 301. Section 201 of the Antidumping Act, 1921 (U. S. C., 1952 edition, title 19, sec. 160), is amended to read as follows:

“SEC. 201. (a) Whenever the Secretary of the Treasury (hereinafter called the ‘Secretary’) determines that a class or kind of foreign merchandise is being, or is likely to be, sold in the United States or elsewhere at less than its fair value, he shall so advise the United States Tariff Commission, and the said Commission shall determine within three months thereafter whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States. The said Commission, after such investigation as it deems necessary, shall notify the Secretary of its determination, and, if that determination is in the affirmative, the Secretary shall make public a notice (hereinafter in this Act called a ‘finding’) of his determination and the determination of the said Commission. The Secretary’s finding shall include a description of the class or kind of merchandise to which it applies in such detail as he shall deem necessary for the guidance of customs officers.

Public notice.

"(b) Whenever, in the case of any imported merchandise of a class or kind as to which the Secretary has not so made public a finding, the Secretary has reason to believe or suspect, from the invoice or other papers or from information presented to him or to any person to whom authority under this section has been delegated, that the purchase price is less, or that the exporter's sales price is less or likely to be less, than the foreign market value (or, in the absence of such value, than the cost of production), he shall forthwith authorize, under such regulations as he may prescribe, the withholding of appraisement reports as to such merchandise entered, or withdrawn from warehouse, for consumption, not more than one hundred and twenty days before the question of dumping has been raised by or presented to him or any person to whom authority under this section has been delegated, until the further order of the Secretary, or until the Secretary has made public a finding as provided for in subdivision (a) in regard to such merchandise."

Withholding of
appraisement re-
ports.

SEC. 302. Subsection (a) of section 202 of the Antidumping Act, 1921 (U. S. C., 1952 edition, title 19, sec. 161 (a)) is amended to read as follows:

42 Stat. 11.

"(a) In the case of all imported merchandise, whether dutiable or free of duty, of a class or kind as to which the Secretary of the Treasury has made public a finding as provided for in section 201, entered, or withdrawn from warehouse, for consumption, not more than one hundred and twenty days before the question of dumping was raised by or presented to the Secretary or any person to whom authority under section 201 has been delegated, and as to which no appraisement report has been made before such finding has been so made public, if the purchase price or the exporter's sales price is less than the foreign market value (or, in the absence of such value, than the cost of production) there shall be levied, collected, and paid, in addition to any other duties imposed thereon by law, a special dumping duty in an amount equal to such difference."

Special dumping
duty.

TITLE IV—IMPORTATIONS FROM INSULAR POSSESSIONS

SEC. 401. Part I of title III of the Tariff Act of 1930, as amended (U. S. C., 1952 edition, title 19, subtitle III, pt. I), is further amended by inserting at the beginning thereof the following new section:

46 Stat. 685.

"SEC. 301. INSULAR POSSESSIONS.

"There shall be levied, collected, and paid upon all articles coming into the United States from any of its insular possessions, except Puerto Rico, the rates of duty which are required to be levied, collected, and paid upon like articles imported from foreign countries; except that all articles the growth or product of any such possession, or manufactured or produced in any such possession from materials the growth, product, or manufacture of any such possession or of the United States, or of both, which do not contain foreign materials to the value of more than 50 per centum of their total value, coming into the United States directly from any such possession, and all articles previously imported into the United States with payment of all applicable duties and taxes imposed upon or by reason of importation which are shipped from the United States, without remission, refund, or drawback of such duties or taxes, directly to the possession from which it is being returned by direct shipment, shall be admitted free of duty upon compliance with such regulations as to proof of origin as may be prescribed by the Secretary of the Treasury. In determining whether an article produced or manufactured in any such insular possession contains foreign materials to the value of more than 50 per centum, no material shall be considered foreign which, at the time

such article is entered, or withdrawn from warehouse, in the United States for consumption, may be imported into the United States from a foreign country, other than Cuba or the Philippine Republic, free of duty."

Virgin Islands.
Ante, p. 509.

SEC. 402. (a) Section 28 (d) of the Revised Organic Act of the Virgin Islands, approved July 22, 1954, is amended to read as follows:

Ante, p. 1139.
68A Stat. 907.

"(d) All articles coming into the United States from the Virgin Islands shall be subject to or exempt from duty as provided for in section 301 of the Tariff Act of 1930 and subject to internal-revenue taxes as provided for in section 7652 (b) of the Internal Revenue Code of 1954."

Guam.

(b) Section 27 of the Act of August 1, 1950 (64 Stat. 392; U. S. C., 1952 edition, title 48, sec. 1421e), is amended to read as follows:

"SEC. 27. All articles coming into the United States from Guam shall be subject to or exempt from duty as provided for in section 301 of the Tariff Act of 1930."

TITLE V—CUSTOMS ADMINISTRATIVE PROVISIONS

SEC. 501. (a) The parenthetical matter first appearing in the second sentence of section 4197 of the Revised Statutes, as amended (U. S. C., 1952 edition, title 46, sec. 91), is amended to read as follows: "(other than a licensed yacht or an undocumented American pleasure vessel not engaged in any trade nor in any way violating the customs or navigation laws of the United States)".

46 Stat. 712.

(b) Section 441 (3) of the Tariff Act of 1930, as amended (U. S. C., 1952 edition, title 19, sec. 1441 (3)), is further amended to read as follows:

"(3) Licensed yachts or undocumented American pleasure vessels not engaged in trade nor in any way violating the customs or navigation laws of the United States and not having visited any hovering vessel: *Provided*, That the master of any such vessel which has on board any article required by law to be entered shall be required to report such article to the collector within twenty-four hours after arrival."

Repeals.

(c) Section 4218 of the Revised Statutes, as amended (U. S. C., 1952 edition, title 46, sec. 106), is repealed.

SEC. 502. Section 3062 of the Revised Statutes, as amended (U. S. C., 1952 edition, title 19, sec. 483), relating to forfeitures and penalties for aiding unlawful importation, is repealed, and in lieu thereof there is inserted in the Tariff Act of 1930, as amended, immediately after section 595 thereof (U. S. C., 1952 edition, title 19, sec. 1595) the following new section:

"SEC. 596. AIDING UNLAWFUL IMPORTATION.

"(a) Except as specified in the proviso to section 594 of this Act, every vessel, vehicle, animal, aircraft, or other thing used in, to aid in, or to facilitate, by obtaining information or in any other way, the importation, bringing in, unlading, landing, removal, concealing, harboring, or subsequent transportation of any article which is being or has been introduced, or attempted to be introduced, into the United States contrary to law, whether upon such vessel, vehicle, animal, aircraft, or other thing or otherwise, shall be seized and forfeited together with its tackle, apparel, furniture, harness, or equipment.

"(b) Every person who directs, assists financially or otherwise, or is in any way concerned in any unlawful activity mentioned in the preceding subsection shall be liable to a penalty equal to the value of the article or articles introduced or attempted to be introduced."

SEC. 503. (a) The first two sentences of section 451 of the Tariff Act of 1930, as amended (U. S. C., 1952 edition, title 19, sec. 1451), are further amended to read as follows: "Before any such special license to unlade shall be granted, the master, owner, or agent of such vessel or vehicle, or the person in charge of such vehicle, shall be required to deposit sufficient money to pay, or to give a bond in an amount to be fixed by the Secretary conditioned to pay, the compensation and expenses of the customs officers and employees assigned to duty in connection with such unloading at night or on Sunday or a holiday, in accordance with the provisions of section 5 of the Act of February 13, 1911, as amended (U. S. C., 1952 edition, title 19, sec. 267). In lieu of such deposit or bond the owner or agent of any vessel or vehicle or line of vessels or vehicles may execute a bond in an amount to be fixed by the Secretary of the Treasury to cover and include the issuance of special licenses for the unloading of such vessels or vehicles for a period not to exceed one year."

46 Stat. 715.

36 Stat. 901.

(b) The third sentence of section 451 of the Tariff Act of 1930, as amended (U. S. C., 1952 edition, title 19, sec. 1451), is further amended by inserting "deposits sufficient money to pay, or" after the words "person requesting such services" now appearing therein and by deleting the words "a penal sum" and inserting in lieu thereof the words "an amount".

46 Stat. 715.

SEC. 504. Section 581 (d) of the Tariff Act of 1930, as amended (U. S. C., 1952 edition, title 19, sec. 1581 (d)), is further amended to read as follows:

49 Stat. 522.

"(d) Any vessel or vehicle which, at any authorized place, is directed to come to a stop by any officer of the customs, or is directed to come to a stop by signal made by any vessel employed in the service of the customs and displaying proper insignia, shall come to a stop, and upon failure to comply a vessel or vehicle so directed to come to a stop shall become subject to pursuit and the master, owner, operator, or person in charge thereof shall be liable to a penalty of not more than \$5,000 nor less than \$1,000."

SEC. 505. Section 605 of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, sec. 1605), is amended by adding at the end thereof the following:

46 Stat. 754.

"Pending such disposition, the property shall be stored in such place as, in the collector's opinion, is most convenient and appropriate with due regard to the expense involved, whether or not the place of storage is within the judicial district or the customs collection district in which the property was seized; and storage of the property outside the judicial district or customs collection district in which it was seized shall in no way affect the jurisdiction of the court which would otherwise have jurisdiction over such property."

SEC. 506. Sections 607, as amended, 610, and 612 of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, secs. 1607, 1610, 1612) are amended by deleting "\$1,000" wherever that amount is stated therein and substituting "\$2,500".

46 Stat. 754, 755.

SEC. 507. Section 545 of title 18 of the United States Code is amended by inserting after "this section" in the fifth paragraph the following " , or the value thereof, to be recovered from any person described in the first or second paragraph of this section,".

62 Stat. 716.

TITLE VI—EFFECTIVE DATE

SEC. 601. Titles II, III, IV, and VI of this Act shall be effective on and after the thirtieth day following the date of the enactment of this Act.

Approved September 1, 1954.